



NO TAX SUBSIDIES FOR STADIUMS ACT OF 2023

For more than a century, the federal government has supported state and local infrastructure projects by excluding the interest on municipal bonds from federal income taxes. Qualified projects eligible for a tax-exemption include roads, sewers and water systems, hospitals, schools, governmental buildings, and other projects for the public good. However, a loophole in the tax code allows professional sports franchises to use public money to construct stadiums using tax-exempt municipal bonds.

THE PROBLEM – TAXPAYER DOLLARS GO TOWARD SUBSIDIZING BILLIONAIRES’ SPORTS STADIUM CONSTRUCTION

For the first half of the twentieth century, professional sports franchises privately-funded the construction of most stadiums. But beginning in 1953, when the Boston Braves moved to Milwaukee, most professional sports franchises have used public financing to construct or rehabilitate their privately-owned stadiums. Since 2000, dozens of professional sports stadiums have been constructed or rehabilitated under financing provided by federal tax-exempt municipal bonds, costing taxpayers nearly \$4 billion. While professional sports teams promise state and local governments that their stadiums will produce local economic development and job creation, there is no quantifiable evidence that they provide these benefits. Providing a federal subsidy for a professional sports stadium requires residents of a state without a professional team to subsidize a stadium in another part of the country, where they receive no benefit whatsoever.

Public financing creates a race to the bottom where teams worth hundreds of millions, or billions, of dollars have all the leverage to exploit city budgets for their own gain. Too often, these subsidies also create budgetary constraints that result in offsetting cuts to critical public safety and economic security programs.

THE SOLUTION – DISALLOWING TAX EXEMPTION FOR STADIUM CONSTRUCTION

The No Tax Subsidies for Stadiums Act disallows the tax-exemption for municipal bonds used to finance professional sports stadiums. This legislation is expected to return hundreds of millions of dollars a year back to American taxpayers.